

On-the-Job Training

The On-the-Job Training (OJT) program is designed to allow employers to hire, train, and retain employees in full-time permanent jobs. We'll pre-screen the applicants and arrange interviews. Once you make your hiring selection, an OJT contract will be negotiated that will pay between 50 to 90 percent of your new employee's hourly wage. If you are interested in OJT, contact the [Business Services Liaison](#) in your area for information or you may contact the Kentucky Office of Employment and Training (OET) Lead WIA Policy Analyst at patriciao.dudgeon@ky.gov for a general overview of the OJT program.

What is the objective of OJT?

"On-the-job training" means training by an employer that is provided to a paid participant while engaged in productive work. The objective is to obtain the best training available from employers. OJT is a valuable tool used to build the capacity of the state's workforce to compete in a global economy.

What is the basis for determining the amount of the reimbursement?

OJT provides reimbursements to employers for training eligible participants. The department allows reimbursement for on-the-job training through a sliding scale based on the size of the business. The following reimbursement amounts may be permitted: 1) up to 90 percent for employers with 50 or fewer employees, 2) up to 75 percent for employers with 51-250 employees, and 3) 50 percent for employers with more than 250 employees. OJT is limited in duration as appropriate to the occupation for which the participant is being trained. The length of training takes into account the content of the training, the prior work experience of the participant and the plan for assisting the participant to upgrade their employability.

What is the source of OJT funds?

OJTs can be funded by the Workforce Investment Act (WIA) and Trade Adjustment Assistance (TAA) which are funded by federal tax dollars. The programs reinvest your federal tax dollars to help upgrade the nation's workforce. Employer reimbursement is contingent on funding by the U.S. Department of Labor.

Why should an employer enter into an OJT Agreement?

OJT provides a solution for employers who are challenged with hiring, promoting or retaining employees who lack the specialized knowledge to perform their jobs effectively.

What is the employer's responsibility for providing training?

In return for OJT payments, employers provide instruction, equipment, materials, and evaluations according to the OJT Training Outline/Agreement. Under OJT agreements to train new hires, employers hire eligible individuals and train them on-the-job. Employers agree that individuals who successfully complete OJT will continue to be employed as a regular full-time employee under the same rules as similarly situated employees.

How is training documented?

Employers document training under an OJT Agreement by reporting time and attendance and progress in meeting training objectives on a form provided by the Local Workforce Investment Board (LWIB).

Who is the contact to find out more about getting an OJT Agreement?

In Kentucky, OJTs are provided through the state's ten LWIBs. Information concerning OJT is available at any Kentucky Office of Employment and . Employers who are interested in learning more may contact the [Business Services Liaison](#) in their area for information or the Kentucky Office of Employment and Training (OET) Lead WIA Policy Analyst at patriciao.dudgeon@ky.gov for an overview of the program.

Which employees are eligible for OJT?

Anyone in one of the following groups may be eligible to be trained under an OJT Agreement:

- Unemployed or underemployed adults over the age of 18;
- Workers who have been laid off from another job and are unlikely to return to their previous industry or occupation; and
- Homemakers re-entering the workforce.

New employees/trainees must not:

- a. Already have the skills listed in the Training to perform the job without the OJT;
- b. Already have been hired, offered employment or started employment with the employer before the OJT Agreement is signed (except for employed worker OJT, discussed below); or
- c. Be a member of the employer's immediate family.

Can employed workers be trained under an OJT Agreement?

Employed workers can be trained under an OJT Agreement if the training outline shows that the occupational skills to be acquired are an upgrade to the person's existing skills and the following conditions apply:

- The employee is not earning a self-sufficient wage as defined by the LWIB;
- All other requirements for OJT Agreements described in these procedures are met; and,
- The OJT relates to introduction of new technologies; or,
- Introduction to new production or service procedures; or,
- Upgrading to new jobs that require additional skills, workplace literacy; or,
- Other appropriate purpose identified by the LWIB.

How is eligibility determined and how are employees approved for training?

Kentucky Career Center staff determines eligibility. Frequently, the Kentucky Career Centers have an eligible individual to refer when employers have openings under OJT Agreements. Employers may refer applicants to a Kentucky Career Center to fill OJT slots and agreements can include upgrading employed workers under certain conditions. An employer's current employees... if they are under-employed...will need to have their eligibility determined by visiting a Kentucky Career Center or by arranging for a Kentucky Career Center representative to visit their business. No OJT payment should be counted on until eligibility is completed, the OJT agreement is signed and a training outline, including training length, is approved.

How is the training length determined?

OJT training length is determined by the time required for an individual to become proficient in the occupation for which they are being trained. The career center's On-the-Job Training Specialist works with an employer to determine OJT training length. The complexity of the job is benchmarked by a specific vocational preparation code derived from U.S. Department of Labor job classifications as a starting point to determine length of training. Specific skills needs assessments of eligible individuals and the employer's identification of skills needed to successfully perform the job are considered. Length of training may vary among occupations and may be influenced by the abilities and prior experience of each employee.

Where do I find the approved amount of the OJT agreement?

Each OJT Agreement includes a Training Outline that shows the total amount of OJT payments authorized by approved position.

How are OJT training payments made to employers?

The total amount of the payment to the employer for each OJT trainee is calculated using a sliding scale based on the size of the business to determine a percentage between 50-90 percent of the wages paid to eligible employees during the approved training period. Reimbursement to the employer is made after submission of an OJT payment order or other required documentation to the LWIB. OJT payment orders may be submitted monthly, quarterly, or after completion of training as specified by the LWIB. Final OJT payment orders must be submitted no later than one month after the completion of training. The employer agrees not to submit OJT payment orders for training costs that exceed the maximum amount shown in the OJT training outline.

Do OJT payments cover training other than learning while working?

Work time includes time for which the trainee is paid and engaged in work-related training (e.g., studying training manuals, attending job related seminars, workshops or one-on-one training). Payments are not made for time not worked but paid such as: vacation, sick leave, holidays not worked, fringe benefits, shift differential, retirement benefits or any other non-work.

What happens if employers have problems with OJT employees?

Employers should contact the Kentucky Career Center On-the-Job Training Specialist as soon as a problem or potential problem is discovered. Employers agree to provide information to the local On-the-Job Training Specialist about any problems that could lead to termination. Employers agree to help the On-the-Job Training Specialist correct or mediate the matter. Employers should notify the On-the-Job Training Specialist before terminating an OJT trainee for clear violations of company policy, if possible. When advance notice is not possible, employers must notify the On-the-Job Training Specialist within 24 hours of the dismissal or as stated in the OJT agreement.

What rules apply to employers who participate in OJT Agreements?

By signing the OJT Agreement the employer understands and agrees to the provisions of the funding agency and the LWIB. Interested employers should contact the LWIB in their area for rules. Generally the agreement includes the following provisions:

- **Hire First/Right of Refusal:** The Employer may refer applicants to the Kentucky Career Center for OJT eligibility determination.
- **Comparable Treatment:** Employers who sign OJT agreements are required to provide wages (including periodic increases), fringe benefits, and working conditions to approved trainees at the same level as similarly situated employees who have similar training, experience, and skills. [Note: pay rates must meet state minimum wage laws, and not be less than the highest minimum wage under the Fair Labor Standards Act of 1938, as amended]. Wages are paid through the employer's usual and customary pay procedures. For the purpose of the OJT agreement, wages do not include tips or commissions. The employer agrees to be solely responsible for the trainee's payroll taxes and fringe benefits.
- **Technical Assistance/Follow-up:** Kentucky Career Center staff will assist the employer and the trainee during the OJT Agreement. The Business Services Representative or OJT Specialist shall make periodic visits to the employer, as needed, to help the employer and trainee ensure successful completion of OJT and provide follow-up assistance after the completion of training. The Kentucky Career Center Business Services Representatives or OJT Specialists will help trainees retain and advance on the job. The employer agrees to allow Kentucky Career Center staff reasonable access to trainees for this purpose and to cooperate and support in their efforts to assist trainees.
- **Subcontracts:** The employer shall not subcontract or assign training duties to other entities under the OJT Agreement without the written permission of the Local Workforce Investment Board.
- **Record Keeping:** The Employer will make trainee payroll and time and attendance records available to the LWIB to support any amounts reimbursed under the OJT Agreement. All records supporting OJT payments must be maintained for at least three years. In the event of costs being questioned in an audit, records must be kept until the audit is resolved.
- **Retention track record:** Employers with good track records of training and retaining employees will be eligible to be considered for additional OJT agreements. If the job retention rate drops, the employer and On-the-Job Training Specialist should attempt to work together to fix the problem. If retention does not improve, current OJT agreements may be terminated and new agreements will not be written with the employer.
- **Modifications or termination:** The OJT agreement may be modified or terminated by mutual agreement of both parties. Failure on the part of the employer to comply with the agreement constitutes grounds for immediate cancellation of this or any OJT agreement.
- **Insurance and bonding:** The employer agrees to provide Worker's Compensation and State Unemployment Insurance benefit coverage, automobile insurance, if job training

includes driving and bonding (if applicable) for employees trained under the OJT agreement. The employer certifies that proper liability insurance covering all OJT trainees for property damage and liability will be in full force and in effect throughout the training period.

- **Prohibition of discrimination:** No individual shall be excluded from the benefits under this agreement because of race, color, religion, sex (except as otherwise permitted under title IX of the Education Amendments of 1972), national origin, age, disability, or political affiliation or belief.
- **Grievance procedure:** The Kentucky Department of Workforce Investment has established and maintains a procedure for grievances or complaints from participants and other interested or affected parties alleging violations of the requirements of WIA. The procedure provides an opportunity for a hearing after filing the grievance or complaint. The employer agrees to comply with this procedure for any grievances or complaints from participants and other interested or affected parties under this agreement.
- **Health and safety and Americans with Disabilities Act (ADA):** The employer agrees to provide a healthy and safe work environment and agrees to maintain the training site in full compliance with the ADA and OSHA regulations.
- **Displacement:** Employers shall not displace any currently employed employee with an employee trained under this Agreement. Displacement includes partial displacement, such as a reduction in the hours of non-overtime work, wages, or employment benefits. An OJT participant cannot be employed and trained under this Agreement in any job or any substantially equivalent job if another person is on layoff from that job. Training under this Agreement may not infringe in any way upon the promotional opportunities of currently employed individuals.
- **Prohibition on impairment of contracts:** Training under this agreement cannot impair any existing contract for services or collective bargaining agreement, and no training that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.
- **Relocating establishment:** An employer whose relocation of facilities or portions of facilities resulted in loss of employment by any employee at the original site may not participate in OJT until 120 days after commencement of operations at the relocated site.
- **Sectarian/Political activities prohibited:** The employer agrees not to use any funds received under the OJT agreement for religious instruction, worship, or to promote political activities.
- **Hold harmless:** The employer shall hold the LWIB and OET, their officers, agency employees, and funding sources harmless for any and all liabilities and claims of any kind. This includes costs and expenses on account of any suits or damages including death, sickness or injury to persons or property from any cause whatsoever arising from or connected with the operations or the services of the employer, his agents, or representatives of employees. The employer shall assume full liability for any adverse

claims (including back pay judgments) originating from complaint, non-compliance, fraud, negligence, or abuse found against the employer.

- **What rules apply to employees who are trained under OJT Agreements?** A person who is trained under an OJT agreement must have their eligibility determined by staff of the Kentucky Career Center, LWIB before beginning OJT. This requires a screening interview that includes meeting with LWIB professional staff. Staff will determine if the person meets the criteria for one of the eligible groups mentioned above and assess the person's need for training and ability to complete training. Staff will complete the registration process that includes developing an Individual Employment Plan (IEP) that may include identifying and arranging for support services (such as childcare, transportation or other services available through career center partner resources).
- **What if the employee gets hurt on the job?** All federal and state health and safety standards apply to working conditions of individuals trained under an OJT agreement. Individuals trained under OJT are employees and are entitled to the same working conditions, benefits and rights as similarly employed workers.